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June 24, 2010
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2010 JUN 28 P 2:02

Chairman Mayes
Commissioners Pierce, Stump, Kennedy and Newman
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

AZ CORP COMMISSION
DOCKET CONTROL

RE: Docket No. E-20690A-09-0346

Commissioners:

Interwest Energy Alliance (Interwest) respectfully submits this letter to express our concerns regarding the Recommended Opinion and Order (ROO) on Solar City's status as a Public Service Corporation.

Interwest is a trade association that brings the nation's renewable energy industry together with the West's advocacy community. Together, our members support state-level public policies that harness the West's abundant –and inexhaustible– renewable energy and energy efficiency resources. Interwest's states of operation are Arizona, Colorado, Nevada, New Mexico, Utah and Wyoming. Investments in wind, solar and other renewable energy technologies help generate tremendous new economic development opportunities in Arizona.

Members of Interwest include solar energy developers that utilize the third party solar service agreement (SSA) model at issue in the ROO. As such, the Commission's determination in this matter will have a real and meaningful impact on our members' ability to develop projects in Arizona.

It is our view that if adopted the ROO would impede or even halt the use of SSAs in Arizona for both for-profit and tax-exempt host facilities. No matter how carefully crafted, regulation of solar developers operating in a competitive environment will create a new level of uncertainty that simply doesn't exist in other states as well as add to the complexity of doing business in Arizona. The financial investors in these projects have no appetite for this kind of uncertainty. The end result is likely to be, at the very least, higher costs for projects in Arizona than surrounding states, or worse – projects that are not financeable.

Thus, we urge the Commission to reject the conclusions in the ROO and modify the order to exempt third-party solar providers, whether offering services to for-profit commercial or to tax-exempt entities, from regulation as a public service corporation.

Thank you for your consideration.

Respectfully,

Amanda Ormond
Southwest Representative
Interwest Energy Alliance
7650 S. McClintock Drive
Ste. 103-282
Tempe, Arizona 85284

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